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**DISTRICT SIX FIRE PROTECTION DISTRICT
BATON ROUGE, LOUISIANA**

FINANCIAL STATEMENTS

DECEMBER 31, 2005 AND 2004

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 5-24-06

**DISTRICT SIX FIRE PROTECTION DISTRICT
BATON ROUGE, LOUISIANA**

**FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT**

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INDEPENDENT AUDITOR'S REPORT

Honorable Chris Medine
and Members of the Board of Commissioners
District Six Fire Protection District
Baton Rouge, Louisiana

I have audited the accompanying basic financial statements of District Six Fire Protection District, as of and for the years ended December 31, 2005 and 2004, as listed in the table of contents. These basic financial statements are the responsibility of District Six Fire Protection District's management. My responsibility is to express an opinion on these basic financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of District Six Fire Protection District, as of December 31, 2005 and 2004, and the results of its operations for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated February 05, 2006, on my consideration of the District Six Fire Protection District's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting and compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

The Management's Discussion and Analysis and the budgetary comparison information on pages 5 through 8 and 27 through 30, respectively, are not a required part of the basic financial statements but are supplementary

information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of District Six Fire Protection District. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink, appearing to be 'J. A.', written over a horizontal line.

Baton Rouge, Louisiana

February 5, 2006

ROY HEBERT
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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF THE BASIC FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Honorable Chris Medine
and Members of the Board of Commissioners
District Six Fire Protection District
Baton Rouge, Louisiana

I have audited the basic financial statements of District Six Fire Protection District as of and for the year ended December 31, 2005, and have issued my report thereon dated February 05, 2006. I conducted my audit in accordance with auditing standards generally accepted in the United States of America, and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered District Six Fire Protection District's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether District Six Fire Protection District's basic financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and accordingly, I do not express such an opinion. The results of

my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of District Six Fire Protection District, management of District Six Fire Protection District, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

A handwritten signature in black ink, appearing to be 'P. A.', is written above the text.

Baton Rouge, Louisiana
February 5, 2006

**DISTRICT SIX FIRE PROTECTION DISTRICT
BATON ROUGE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005**

Our discussion and analysis of District Six Fire Protection District's (hereafter referred to as the District) financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2005.

FINANCIAL HIGHLIGHTS

The financial statements included in this report provide insight into the financial status for the year. Based upon the operations of 2005, the District's net assets increased by \$92,243, and resulted in ending net assets of \$1,577,528, or an increase of 6 percent.

Total spending for the governmental activity was \$1,097,263 for the year, which was \$92,243 less than the taxes and the contributions received for this activity, \$1,189,506.

The interest earned on checking accounts and investments in certificates of deposit was \$11,267 for the year.

USING THIS ANNUAL REPORT

This report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities found on pages 8 and 9 provide information about the financial activities of the District and illustrate a longer-term view of the District's finances. Fund financial statements start on page 12. For governmental type activities, these statements illustrate how these services were financed in the short-term and what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's significant funds.

The District's independent auditor attests in his report that the Basic Financial Statements are fairly stated. The auditor is providing varying degrees of assurance regarding the Required Supplementary Information, the levels of which are illustrated in the auditor's report.

REPORTING THE DISTRICT AS A WHOLE, THE STATEMENT OF NET ASSETS AND THE STATEMENT OF ACTIVITIES

Our analysis of the District as a whole begins on page 9. These statements help to illustrate the status of the District resulting from the year's activities. The statements include all assets and liabilities using the accrual basis of accounting. In this method, all of the current year's revenues and expenses are taken into account regardless of when cash is paid or received.

The District's net assets are determined by examining the difference in assets and liabilities. The two statements report the District's net assets and any changes in them. Examining the District's net assets is an effective way to determine the financial status of the District. Increases and decreases in net assets are an indicator of the District's overall increasing or decreasing financial performance.

In the Statement of Net Assets and the Statement of Activities, the District reports only governmental type activities. The majority of the District's activities are of this type, and taxes and contributions finance most of the activities.

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS, FUND FINANCIAL STATEMENTS

The analysis of the District's major fund begins on page 11. The fund financial statements provide detailed information about the most significant fund rather than the District as a whole.

The District uses a governmental type fund. Most of the District's services are reported in this governmental fund, which focuses on how money flows into and out of that fund and the balance left at year-end that is available for spending. This fund is reported using an accounting method called modified accrual accounting which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation at the bottom of the fund financial statement.

THE DISTRICT AS A WHOLE

BUSINESS-TYPE ACTIVITY

The District's net assets increased \$92,243 as a result of this year's operations resulting in ending net assets of \$1,577,528, or an increase of 6 percent. The balance in net assets represents the accumulated results of all past years' operations. Unrestricted net assets (the part of net assets that can be used to finance daily operations without legal restrictions or obligations) changed from a \$627,444 surplus to a \$740,610 surplus at year-end. The District can use these funds to finance the continuing operations of the office. This means that if we had to pay off all of our bills today, we would have \$740,610 left.

Table 1
Net Assets

	<u>2005</u>	<u>2004</u>
Current and other assets	\$ 975,458	\$ 913,600
Capital assets	<u>836,918</u>	<u>857,842</u>
Total assets	<u>\$ 1,812,376</u>	<u>\$ 1,771,442</u>
Current and other liabilities	\$ 79,091	\$ 100,418
Long-term liabilities	<u>157,757</u>	<u>185,738</u>
Total liabilities	<u>\$ 234,848</u>	<u>\$ 286,156</u>

Net assets:

Invested in capital assets	\$ 836,918	\$ 857,842
Unrestricted	<u>740,610</u>	<u>627,444</u>
Total net assets	<u>\$ 1,577,528</u>	<u>\$ 1,485,286</u>

The District's total revenues for the year increased \$140,403 or 14 percent. This included \$886,749 in taxes, \$235,554 in operating contributions, and \$25,869 in interest income and miscellaneous income. The total cost of all programs and services was \$1,059,831 with no new programs added this year.

Table 2
Changes in Net Assets

	<u>2005</u>	<u>2004</u>
Revenues:		
Taxes	\$ 896,057	\$ 886,749
Operating contributions	236,480	235,554
Other	<u>56,968</u>	<u>25,869</u>
Total revenues	<u>1,189,506</u>	<u>1,148,171</u>
Expenses	<u>1,097,263</u>	<u>1,059,831</u>
Increase (decrease) in net assets	<u>\$ 92,243</u>	<u>\$ 88,340</u>

THE DISTRICT'S FUNDS

As previously mentioned, the District uses funds to help control and manage money for particular purposes. At the completion of the year, the District's governmental fund reported a fund balance of \$927,207. This reflects an increase of \$57,361 from last year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District's budget was revised once during the last year. This was primarily because of increased costs pertaining to litigation, retirement contributions, and personnel costs. Other expenses were not materially different from that included in the original budget.

The actual expenditures were \$41,045 below the final budget amounts.

On the other hand, resources available for expenditure were \$93,626 above the final budgeted amounts.

The District's General Fund balance of \$927,207 reported on page 11 differs from the General Fund's budgetary fund balance of \$695,636 reported in the budgetary comparison schedule on page 28.

CAPITAL ASSETS

At the end of the year, the District has \$836,918 invested in capital assets, including buildings, furniture, fire fighting equipment, and vehicles. This year there were additions of \$50,736 and disposals of \$5,993, reflecting

a net decrease in capital assets of \$20,924. More detailed information about the District's capital assets is presented in Note 7 of the financial statements.

Table 3
Capital Assets at Year End
(Net of Accumulated Depreciation)

	<u>2005</u>	<u>2004</u>
Land	\$ 43,000	\$ 43,000
Buildings	361,220	336,237
Equipment	432,698	478,605
	<u>\$ 836,918</u>	<u>\$ 857,842</u>

DEBT

At year-end, the District had \$185,738 in capital lease obligations outstanding. This is a decrease from last year of \$55,140 or 56 percent.

Table 4
Bonds and Capital Leases

	<u>2005</u>	<u>2004</u>
Capital leases	185,738	240,778
	<u>\$ 185,738</u>	<u>\$ 240,778</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

During 2005, the District continued its efforts to collect delinquent service fees due the District. It has brought the billing and collection functions for these fees in-house. The District believes these changes will result in increased collections of these fees.

Taking all other factors into consideration, the District's general fund balance is expected to remain unchanged by the close of 2006.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to Joel Hancock, Fire Chief, 7878 Prescott Road, Baton Rouge, Louisiana 70812.

**DISTRICT SIX FIRE PROTECTION DISTRICT
PARISH OF EAST BATON ROUGE
STATEMENT OF NET ASSETS
DECEMBER 31, 2005 AND 2004**

<u>ASSETS</u>	GOVERNMENTAL ACTIVITY	
	<u>GENERAL FUND</u>	
	<u>2005</u>	<u>2004</u>
Assets:		
Cash	\$ 55,509	\$ 87,711
Certificates of deposit	69,156	67,270
Ad valorem taxes receivable	130,476	145,963
Fire protection service charges receivable	44,043	42,068
Due from other governmental units	676,273	570,587
Capital assets, net of depreciation	836,918	857,842
Total Assets	<u>\$ 1,812,376</u>	<u>\$ 1,771,442</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Liabilities:		
Accounts payable	\$ 34,316	\$ 33,457
Payroll withholdings and accruals	13,935	10,298
Compensated absences payable	858	1,623
Obligation under capital leases	185,738	240,778
Total Liabilities	<u>234,848</u>	<u>286,156</u>
Net assets:		
Investment in capital assets	836,918	857,842
Unrestricted	740,610	627,444
Total net assets	<u>1,577,528</u>	<u>1,485,286</u>
Total Liabilities and Net Assets	<u>\$ 1,812,376</u>	<u>\$ 1,771,442</u>

The accompanying notes are an integral part of this financial statement.

**DISTRICT SIX FIRE PROTECTION DISTRICT
PARISH OF EAST BATON ROUGE
STATEMENT OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2005 AND 2004**

	<u>GOVERNMENTAL ACTIVITY</u>	
	<u>2005</u>	<u>2004</u>
<u>EXPENSES</u>		
Salaries, wages, and benefits	\$ 848,803	\$ 762,679
Materials and supplies	60,418	59,691
Other program expenses	106,806	129,329
Depreciation expense	71,119	95,516
Interest on debt	10,117	12,617
Total Expenses	<u>1,097,263</u>	<u>1,059,831</u>
<u>GENERAL REVENUES</u>		
Taxes		
Real estate	\$ 721,288	\$ 668,648
Fire protection service charges	174,769	218,101
Grants and contributions		
not restricted to specific programs	236,480	235,554
Unrestricted interest earnings	11,267	7,667
Miscellaneous revenues	45,701	18,202
Total General Revenues	<u>1,189,506</u>	<u>1,148,171</u>
Change in net assets	<u>92,243</u>	<u>88,340</u>
Net assets-beginning of year	<u>1,485,285</u>	<u>1,396,945</u>
Net assets-end of year	<u>\$ 1,577,528</u>	<u>\$ 1,485,285</u>

The accompanying notes are an integral part of this financial statement.

**DISTRICT SIX FIRE PROTECTION DISTRICT
PARISH OF EAST BATON ROUGE
BALANCE SHEET-GOVERNMENTAL FUND
DECEMBER 31, 2005 AND 2004**

	<u>GENERAL FUND</u>	
	<u>2005</u>	<u>2004</u>
<u>ASSETS</u>		
Assets:		
Cash	\$ 55,509	\$ 87,711
Certificates of deposit	69,156	67,270
Ad valorem taxes receivable	130,476	145,963
Fire protection service charges receivable	44,043	42,068
Due from other government units	676,273	570,587
Total Assets	<u>\$ 975,458</u>	<u>\$ 913,600</u>
<u>LIABILITIES AND FUND EQUITY</u>		
Liabilities		
Accounts payable	\$ 34,316	\$ 33,457
Payroll withholdings and accruals	13,935	10,298
Total Liabilities	<u>48,251</u>	<u>43,755</u>
Fund equity		
Fund balance-unreserved and undesignated	<u>927,207</u>	<u>869,845</u>
Total Fund Equity	<u>927,207</u>	<u>869,845</u>
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund.	836,918	857,842
Annual leave payable may not be due in the current period and therefore is not reported in the fund.	858	1,623
Long-term liabilities, including bonds payable, are not due in the current period and therefore are not reported in the governmental activity in the fund.		
Obligation under capital lease	<u>185,738</u>	<u>240,778</u>
Net assets of governmental activity	<u>\$ 1,577,528</u>	<u>\$ 1,485,285</u>

The accompanying notes are an integral part of this financial statement.

**DISTRICT SIX FIRE PROTECTION DISTRICT
PARISH OF EAST BATON ROUGE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
YEARS ENDED DECEMBER 31, 2005 AND 2004**

		<u>GENERAL FUND</u>	
		<u>2005</u>	<u>2004</u>
REVENUES			
Taxes			
Ad valorem taxes	\$	721,288	\$ 668,648
Fire protection service fees		174,769	218,101
Total taxes		<u>896,058</u>	<u>886,749</u>
Intergovernmental revenues			
State fire insurance rebate		42,281	39,901
State revenue sharing		79,279	79,203
City-Parish General Fund		68,990	68,990
State of Louisiana		<u>45,930</u>	<u>47,460</u>
Total intergovernmental revenues		<u>236,480</u>	<u>235,554</u>
Miscellaneous revenue			
Interest earned		11,267	7,667
Miscellaneous revenue		<u>46,241</u>	<u>22,234</u>
Total miscellaneous revenue		<u>57,508</u>	<u>29,901</u>
Total revenue		<u>1,190,046</u>	<u>1,152,204</u>
EXPENDITURES			
Current operations			
General government			
Accounting fees		11,891	13,755
Legal fees		<u>751</u>	<u>16,326</u>
Total general government		<u>12,642</u>	<u>30,081</u>
Public safety			
Advertising		412	1,867
Assessor fees		-	75
Awards and plaques		-	65
Dues		440	615
Employee benefits		237,972	207,789
Fee billings		10,265	14,241
Food		3,166	2,631
Insurance		21,814	21,397
Maintenance and repair		34,898	36,529
Medical program		849	401
Miscellaneous		193	2,029

The accompanying notes are an integral part of this financial statement.

**DISTRICT SIX FIRE PROTECTION DISTRICT
PARISH OF EAST BATON ROUGE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
YEARS ENDED DECEMBER 31, 2005 AND 2004**

	<u>GENERAL FUND</u>	
	<u>2005</u>	<u>2004</u>
Pest control	280	120
Postage	2,929	1,050
Rent	7,406	6,427
Retirement costs-other	22,833	21,581
Salaries	611,597	554,160
Supplies	25,520	23,162
Telephone	8,547	10,893
Training and travel	3,541	4,182
Utilities	11,489	11,672
Total public safety	<u>1,004,150</u>	<u>920,887</u>
Capital outlay		
Fire fighting equipment	<u>50,736</u>	<u>39,180</u>
Total capital outlay	<u>50,736</u>	<u>39,180</u>
Debt service		
Principal retirement	55,040	52,540
Interest expense	<u>10,117</u>	<u>12,617</u>
Total debt service	<u>65,157</u>	<u>65,157</u>
Total expenditures	<u>1,132,685</u>	<u>1,055,305</u>
Excess (deficiency) of revenues over expenditures	<u>57,361</u>	<u>96,899</u>
Net change in fund balance	57,361	96,899
Fund balance-beginning of year	<u>869,845</u>	<u>772,946</u>
Fund balance-end of year	<u>\$ 927,207</u>	<u>\$ 869,845</u>

The accompanying notes are an integral part of this financial statement.

**DISTRICT SIX FIRE PROTECTION DISTRICT
PARISH OF EAST BATON ROUGE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
YEARS ENDED DECEMBER 31, 2005 AND 2004**

	<u>GENERAL FUND</u>	
	<u>2005</u>	<u>2004</u>
Net change in fund balance-governmental fund	\$ 57,361	\$ 96,899
Amounts reported for governmental activity in the statement of activity is different because:		
Governmental funds report capital outlays as expenditures.		
However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense (\$71,119) exceeded capital outlays (\$50,736) in 2005 and by which depreciation expense (\$95,516) exceeded capital outlays (\$39,180) in 2004.		
	(20,383)	(56,336)
<i>In the statement of activities, the loss on disposal of assets is reported, whereas in the governmental funds, the proceeds from the disposal increase financial resources. The change in net assets differs from the change in fund balance by the cost of the assets disposed of in 2005 (\$5,993), net of related accumulated depreciation (\$5,453) and by the cost of the assets disposed of in 2004 (\$37,603), net of related accumulated depreciation (\$33,571).</i>		
	540	4,032
Governmental funds report debt service payments as expenditures. However, in the statement of activities, repayments of principal of indebtedness reduces long-term liabilities in the statement of net assets. This is the amount of principal repayments in 2005 and 2004.		
	55,040	52,540
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
(Increase) decrease in compensated absences payable		
	766	(730)
Change in net assets of governmental activity	\$ 92,244	\$ 88,341

The accompanying notes are an integral part of this financial statement.

**DISTRICT SIX FIRE PROTECTION DISTRICT
BATON ROUGE, LOUISIANA**

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying basic financial statements of the District Six Fire Protection District have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. *The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, issued in June 1999.*

B. REPORTING ENTITY

District Six Fire Protection District was created in the Parish of East Baton Rouge by Parish Resolution 12992, adopted December 22, 1976. Pursuant to the authority granted under Article VI, Sections 15 and 19 of the Louisiana Constitution of 1974, and pursuant to LRS 33:1415 and 40:1491-1506, the Metropolitan Council of the City of Baton Rouge and Parish of East Baton Rouge created and established the Board of Commissioners ("Board") for District 6 Fire Protection District. The Board is composed of five members appointed by the Metropolitan Council and must be resident property taxpayers of the District. The District provides fire protection services to all of territory situated within its confines.

For financial reporting purposes, in conformance with GASB Codification of Governmental Accounting and Financial Reporting Standards, the District includes all funds and account groups that are controlled by the District.

GASB Statement No. 14, the Financial Reporting Entity, established criteria for determining which component units should be considered part of a larger governmental reporting entity for financial and reporting purposes. The basic criteria are as follows:

1. Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell, and lease property in its own name.
2. Whether the larger governmental reporting entity appoints a majority of commission members of the potential component unit.
3. Fiscal interdependency between the larger governmental reporting entity and the potential component unit.
4. Imposition of will by the larger governmental reporting entity on the potential component unit.
5. Financial benefit/burden relationship between the larger governmental reporting entity and the potential component unit.

**DISTRICT SIX FIRE PROTECTION DISTRICT
BATON ROUGE, LOUISIANA**

NOTES TO THE FINANCIAL STATEMENTS

Based on this criteria, the District's management has concluded that it is a component unit of the Consolidated Governmental of the City of Baton Rouge, Parish of East Baton Rouge.

C. BASIC FINANCIAL STATEMENTS—GOVERNMENT-WIDE STATEMENTS

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major fund). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District's general administrative services are classified as governmental type activities.

In the government-wide Statement of Net Assets, the business-type column is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net assets are reported in three parts—invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions. The net costs by function are normally covered by general revenue.

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net assets resulting from the current year's activities.

D. BASIC FINANCIAL STATEMENTS—FUND FINANCIAL STATEMENTS

The financial transactions of the District are reported in individual funds in the financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues, and expenditures/expenses. The fund presented in the financial statements is described as follows:

Governmental Funds:

General Fund

This fund accounts for all or most of the operations of the District. The focus of the governmental fund's measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of current financial resources) rather than upon net income. Expendable assets are assigned to funds according to the purpose for which they may be used. Current liabilities are assigned to funds from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources that may be used to finance future period operations of the District's office.

**DISTRICT SIX FIRE PROTECTION DISTRICT
BATON ROUGE, LOUISIANA**

NOTES TO THE FINANCIAL STATEMENTS

The general fund is the principal fund of the District and accounts for all financial resources, except those required to be accounted for in other funds. The general fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the District's policies.

E. BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual:

Business-type activities in the government-wide financial statements and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental fund financial statement is presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

F. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from these estimates.

G. BUDGET PRACTICES

A proposed operating budget for the General Fund, prepared on the modified accrual basis of accounting, is approved by the Board of Commissioners and adopted in accordance with the Local Government Budget Law. The proposed operating budget are legally adopted and amended, as necessary, by the District. All appropriations lapse at year-end.

Formal budget integration is employed as a management control device. Budget amounts included in the accompanying financial statements include the original budget amounts and all subsequent amendments, if any.

**DISTRICT SIX FIRE PROTECTION DISTRICT
BATON ROUGE, LOUISIANA**

NOTES TO THE FINANCIAL STATEMENTS

H. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. The District has defined cash and cash equivalents to include cash on hand, demand deposits, and time deposits with original maturities of 90 days or less. Under Louisiana Revised Statutes 39:1271 and 33:2955, the District may deposit funds in demand deposits, interest-bearing demand deposits, or certificates of deposit with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

I. CAPITAL ASSETS

Capital assets purchased or acquired with an original cost of \$500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	40 years
Fire trucks	15 years
Fire fighting equipment	10 years
Office equipment	5 years
Furniture and equipment	5 years

J. COMPENSATED ABSENCES

The District has the following policies related to annual and sick leave:

Annual leave is determined by the number of years of service and accrues each pay period. Accrued annual leave may be carried over from year to year based on the employee's years of service. Employees who have from 1-10 years of service will be allowed to accrue no more than 25% of vacation time to which they are eligible at the end of each calendar year. Employees with 10 years or more of service will be allowed to accrue 33% of vacation time to which they are eligible at the end of each calendar year. Employees will be paid for all accrued vacation time when they are no longer employed by the District.

Firemen employed by the District are entitled to full pay during sickness or incapacity not brought about by his or her negligence or culpable indiscretion for a period of not less than fifty-two weeks.

At December 31, 2005, and 2004, employees of the District had accumulated and vested \$858 and \$1,623 annual leave benefits respectively, that was computed in accordance with GASB Statement No. 16.

K. ENCUMBRANCES

Encumbrance accounting, under which contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of that appropriation, is not employed by the District.

**DISTRICT SIX FIRE PROTECTION DISTRICT
BATON ROUGE, LOUISIANA**

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2: CASH

At December 31, 2005 and 2004, the District had cash and cash equivalents totaling as follows:

	<u>2005</u>	<u>2004</u>
Balances per bank statements	\$ 139,875	\$ 168,756

These deposits are stated at cost, which approximates market. Under state law, deposits or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Custodial Credit Risk-Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of June 30, 2005, and 2004, none of the District's deposits were exposed to custodial credit risk because all deposits were insured by FDIC insurance or collateralized by securities held by pledging banks in their trust departments in the name of the District Six Fire Protection District.

NOTE 3: PROPERTY TAXES

The 1974 Louisiana Constitution (Article 7 Section 18) provided that land and improvements for residential purposes be assessed at 10% of fair market value; other property and electric cooperative properties, excluding land, are to be assessed at 15%; and public service properties, excluding land, are to be assessed at 25% of fair market value. Fair market value is determined by the elected assessor of the parish on all property subject to taxation except public service properties, which are valued by the Louisiana Tax Commission. The correctness of assessments by the assessor is subject to review and certification by the Louisiana Tax Commission. The assessor is required to reappraise all property subject to taxation at intervals of not more than four years.

The Sheriff of East Baton Rouge Parish, as provided by LRS 33:1435, is the official tax collector of general property taxes levied by the Parish and Parish Special Districts. By agreement, the Sheriff is also the tax collector for City property taxes for which he receives a commission of 4.5% of total taxes collected for the City. December tax collections remitted to the District by the Sheriff in January are reported as "Due from other governmental units."

The 2005 and 2004 property tax calendars are as follows:

	<u>2005</u>	<u>2004</u>
Levy date	December 2, 2005	December 3, 2004
Millage rates adopted	December 2, 2005	December 3, 2004
Tax bills mailed	December 1, 2005	December 1, 2004
Due date	December 31, 2005	December 31, 2004

**DISTRICT SIX FIRE PROTECTION DISTRICT
BATON ROUGE, LOUISIANA**

NOTES TO THE FINANCIAL STATEMENTS

Lien date

January 1, 2006

January 1, 2005

State law requires the Sheriff to collect property taxes in the calendar year in which the assessment is made. Property taxes become delinquent January 1 of the following year. If taxes are not paid by the due date, taxes bear interest at the rate of 1.25% per month until the taxes are paid. After notice is given to the delinquent taxpayers, the Sheriff is required by the Constitution of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed. Therefore, there are no delinquent taxes at year-end.

All property taxes are recorded in governmental funds, and as explained in Note 1(E), revenues in governmental funds are recognized in the accounting period in which they become available and measurable. Property taxes are considered measurable in the calendar year of the tax levy. Accordingly, the entire tax roll less an estimate for uncollectible taxes is recorded as revenue in the current calendar year. Uncollectible taxes are those taxes which, based on past experience, will not be collected in the subsequent year and are primarily due to subsequent adjustments of the tax rolls. All of the net taxes receivable at the end of the year are considered available. Available means due, or past due and receivable within the current period, and collected within the current period or expect to be collected soon enough thereafter to pay liabilities of the current period. Property taxes are considered available because they are substantially collected within 60 days subsequent to year-end or they are completely available for short-term debt and short-term advances from the tax collector due to time lags between collections and the remittance to the District.

NOTE 4: FIRE PROTECTION SERVICE CHARGES

The District is empowered to assess a service of \$32 for each residential and commercial structure in the District. On July 1, 1994, the Board of Commissioners of the District voted to raise the service fee charged by the District from \$16 per structure to \$32 per structure effective July 1, 1994.

The Board, on that same day, adopted the following service fee calendar for subsequent years:

Initial bills to be sent	July 1
Second bills to be sent	August 15
Certified letter sent to property owner	October 1
Lien date	December 1
File law suit	June 1

The Board has also adopted policies regarding the collection of costs associated with the collection of delinquent service fees. At present, the Board has decided to charge an additional \$100 for each person and structure against which a lien and privilege is imposed in the collection process.

The service fees are recorded in the governmental fund, and as explained in Note 1(E), revenues in governmental funds are recognized in the accounting period in which they become available and measurable. Service fees are considered measurable in the calendar year of the assessment. Accordingly, the entire assessment less an estimate for uncollectible service fees is recorded as revenue in the current calendar year. All of the net service fees receivable at the end of the year are considered available. Available means due, or past

**DISTRICT SIX FIRE PROTECTION DISTRICT
BATON ROUGE, LOUISIANA**

NOTES TO THE FINANCIAL STATEMENTS

due and receivable within the current period, and collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period.

NOTE 5: RECEIVABLES

Property taxes and fire protection service charges receivable and estimated uncollectible amounts for the District are as follows:

<u>2005</u>	<u>Property Taxes</u>	<u>Fire Protection Service Charges</u>
Amounts receivable	\$ 160,617	\$ 85,860
Estimated uncollectibles	<u>-30,141</u>	<u>-41,817</u>
	<u>\$ 130,476</u>	<u>\$ 44,043</u>
 <u>2004</u>	 <u>Property Taxes</u>	 <u>Fire Protection Services Charges</u>
Amounts receivable	\$ 175,750	\$ 79,887
Estimated uncollectibles	<u>-29,787</u>	<u>-37,819</u>
	<u>\$ 145,963</u>	<u>\$ 42,068</u>

NOTE 6: DUE FROM OTHER GOVERNMENTAL UNITS

The amounts due from other governmental units are as follows:

	<u>2005</u>	<u>2004</u>
East Baton Rouge Parish Sheriff	\$ 580,137	\$ 517,179
Louisiana State Revenue Sharing	52,853	53,408
Federal Emergency Management Agency	<u>43,283</u>	<u>-</u>
	<u>\$ 676,273</u>	<u>\$ 570,587</u>

NOTE 7: CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets follows:

<u>2005</u>	<u>Balance January 1, 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2005</u>
Land	\$ 43,000			\$ 43,000
Buildings	456,930	36,308		493,238
Equipment	637,146	14,427	5,993	645,580
Equipment under capital lease	534,526			534,526
Less accumulated depreciation	<u>-813,760</u>	<u>71,119</u>	<u>5,453</u>	<u>-879,426</u>
Capital assets, net	<u>\$ 857,842</u>			<u>\$ 836,918</u>

**DISTRICT SIX FIRE PROTECTION DISTRICT
BATON ROUGE, LOUISIANA**

NOTES TO THE FINANCIAL STATEMENTS

<u>2004</u>	Balance <u>January 1, 2004</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>December 31, 2004</u>
Land	\$ 43,000			\$ 43,000
Buildings	456,930			456,930
Equipment	635,569	39,180	37,603	637,146
Equipment under capital lease	534,526			534,526
Less accumulated depreciation	<u>-751,815</u>			<u>-813,760</u>
Capital assets, net	<u>\$ 918,210</u>			<u>\$ 857,842</u>

NOTE 8: PENSION PLANS

Plan Description. The District contributes to either the Employees' Retirement System of the City of Baton Rouge, Parish of East Baton Rouge, or the Firefighters' Retirement System. Both plans are cost-sharing, multiple-employer defined-benefit pension plans. The plans are each administered by a board of trustees. The plans provide retirement benefits, disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The City of Baton Rouge and Parish of East Baton Rouge Plan of Government and Louisiana Revised Statutes 11:2551 et seq. grant the respective board of trustees the authority to establish and amend benefit provisions of the plans.

The Retirement System is reported as a blended component unit of the City-Parish as defined by Governmental Accounting Standards Board Statement No. 14, The Financial Reporting Entity. Since the Retirement System is part of the City-Parish's reporting entity, its financial statements are included as a Pension Trust Fund by the primary government.

The Board of Trustees of the Retirement System was created by the City of Baton Rouge and the Parish of East Baton Rouge Plan of Government to administer the assets of the system, and is composed of seven members. Four of the trustees are members of the Retirement System, two are selected from non police and fire department employees, and one trustee each is selected from the Police and Fire Departments. The remaining membership of the board consists of the Director of Finance, and two persons with business and accounting experience, appointed by the Metropolitan Council. All administrative expenses of the Retirement System are paid from funds of the system, and the board issues its own financial statements on an annual basis.

The retirement systems issue publicly available financial reports that includes financial statements and required supplementary information for the plans. The financial reports may be obtained from:

Retirement Administrator
Employees' Retirement System
City of Baton Rouge, Parish of East Baton Rouge
P.O. Box 1471
Baton Rouge, Louisiana 70821-1471

Or

**DISTRICT SIX FIRE PROTECTION DISTRICT
BATON ROUGE, LOUISIANA**

NOTES TO THE FINANCIAL STATEMENTS

Firefighters' Retirement System
P.O. Box 94095, Capital Station
Baton Rouge, Louisiana 70804-9095

Funding Policy: Plan members are required to contribute 9.5% and 8%, respectively, of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rates are 20.13% and 18%, respectively, of annual covered payroll. The preceding rates are for both plans with the first rates being applicable to the Employees' Retirement System of the City of Baton Rouge, and the second rates being applicable to the Firefighters' Retirement System. The District's contributions to the plans for the years ending December 31, 2005, 2004, and 2003 were \$113,683, \$97,253, and \$76,795, respectively, and equaled the required contributions for each year.

NOTE 9: LEASES AND BONDS

The District records items under capital leases as an asset and an obligation in the accompanying financial statements. The following is an analysis of capital leases for both 2005 and 2004:

	<u>2005</u>	<u>2004</u>
<u>Type</u>		
Equipment	\$ 534,526	\$ 534,526

The following is a schedule of future minimum lease payments under the capital leases, together with the present value of the net minimum lease payments, as of December 31, 2005 and 2004:

<u>2005</u>	<u>Fiscal Year</u>	<u>Total</u>
2006		\$ 35,467
2007		35,467
2008		35,467
2009		35,466
2010		35,466
2011		35,466
Less amount representing interest		<u>-27,061</u>
Outstanding principal		<u>\$ 185,738</u>

<u>2004</u>	<u>Fiscal Year</u>	<u>Total</u>
2005		\$ 65,157
2006		35,467
2007		35,467
2008		35,466
2009		35,466
2010		35,466

**DISTRICT SIX FIRE PROTECTION DISTRICT
BATON ROUGE, LOUISIANA**

NOTES TO THE FINANCIAL STATEMENTS

2011	35,466
Less amount representing interest	<u>-37,177</u>
Outstanding principal	<u>\$ 240,778</u>

NOTE 10: LONG-TERM DEBT

A summary of the general long-term obligations of the District is as follows:

<u>2005</u>	Balance January 1, <u>2005</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2005</u>
Capital lease	\$ 240,778		\$ 55,040	\$ 185,738
Compensated absences	<u>1,623</u>	<u>-</u>	<u>765</u>	<u>858</u>
	<u>\$ 242,401</u>	<u>\$ -</u>	<u>\$ 55,805</u>	<u>\$ 186,596</u>
 <u>2004</u>	 Balance January 1, <u>2004</u>	 <u>Additions</u>	 <u>Deletions</u>	 Balance December 31, <u>2004</u>
Capital lease	\$ 293,318		\$ 52,540	\$ 240,778
Compensated absences	<u>893</u>	<u>730</u>	<u>-</u>	<u>1,623</u>
	<u>\$ 340,423</u>	<u>\$ 730</u>	<u>\$ 52,540</u>	<u>\$ 242,401</u>

NOTE 11: POSTEMPLOYMENT BENEFITS

District employees are eligible to continue participation in the City of Baton Rouge and Parish of East Baton Rouge health, dental, and life insurance programs upon retirement.

Employees are offered their choice of two health maintenance organizations or an indemnity plan for health benefits. Employees may also participate in the indemnity plan for dental benefits. Upon retirement, the employee may continue their coverage with the same benefits payable to active employees. The minimum premium plan is funded with employees and retirees contributing 38% of the premium and the District contributing 62% of the premium. Retirees may continue coverage in accordance with Parish Resolution 10179 adopted by the Parish Council on December 13, 1972.

The District does not have any retirees as of December 31, 2005 or 2004, and therefore, has no estimated expenditures/expenses for postretirement health and dental benefits.

In accordance with City Resolution 5942 and Parish Resolution 12478 adopted by the respective councils on April 14, 1976, all District employees who retire after May 1, 1976, have \$3,000 of term life insurance coverage. As noted above, the District has no retirees and, therefore, no coverage was in effect.

**DISTRICT SIX FIRE PROTECTION DISTRICT
BATON ROUGE, LOUISIANA**

NOTES TO THE FINANCIAL STATEMENTS

The cost of this insurance is paid by the District through an actuarially determined monthly assessment of 70 cents per active employee.

NOTE 12: DEFERRED COMPENSATION PLAN

The District participates in The National Association of Counties (NACO) Deferred Compensation Program, which is a cost-sharing multiple-employer public employee deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all District employees, permits them to defer a portion of their salary until future periods. Participation in the plan is optional. The deferred compensation is not available to employees until termination, death, or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts are held in trust for the exclusive benefit of the participants and their beneficiaries. Participant's rights under the plan are equal to the fair market value of their deferred accounts.

It is the opinion of the State's Attorney General that the District has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary investor.

The plan's trustee, who provides certain options, manages investments. The participants make the choice of investment options.

NOTE 13: ON-BEHALF PAYMENTS FOR SALARIES

Supplemental salary payments are made by the state directly to a certain group of employees of the District. Therefore, the basis for recognizing the revenue and expenditure (expense) payments is the actual contribution made by the state. For 2005 and 2004, the state paid supplemental salaries to employees of the District in the amount of \$45,930 and \$47,460, respectively. These payments are recorded as revenues and expenditures (expenses) in the 2005 and 2004 financial statements under the General Fund.

NOTE 14: COMMITMENTS AND CONTINGENCIES

The District is involved in several legal actions, which arose during the ordinary course of business. Management believes that the District has adequate legal defenses or insurance coverage with respect to each of these actions. However, the ultimate outcome of the litigation is unknown at the present time. Accordingly, no provision for any liability that might result has been made in the accompanying financial statements. In the opinion of management, the existing litigation will not materially affect the District's results of operations or financial position.

NOTE 15: COMPENSATION PAID TO COMMISSION MEMBERS

The following is a list of commission members appointed for the years ended December 31, 2005 and 2004. The commission members did not receive any compensation for their service on the board of District Six Fire Protection District during the years ended December 31, 2005 and 2004.

**DISTRICT SIX FIRE PROTECTION DISTRICT
BATON ROUGE, LOUISIANA**

NOTES TO THE FINANCIAL STATEMENTS

2005

Chris Medine, chairman
Harold Christopher, vice-chairman
Reginald Higgins, commissioner
Johnny Honey, commissioner
Lisa Westfall, commissioner

2004

Chris Medine, chairman
Harold Christopher, vice-chairman
Reginald Higgins, commissioner
Johnny Honey, commissioner
Lisa Westfall, commissioner

REQUIRED SUPPLEMENTARY INFORMATION

**DISTRICT SIX FIRE PROTECTION DISTRICT
PARISH OF EAST BATON ROUGE
BUDGETARY COMPARISON SCHEDULE-GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET</u>
				<u>POSITIVE (NEGATIVE)</u>
REVENUES				
Taxes				
Ad valorem taxes	\$ 692,000	\$ 692,000	\$ 721,288	\$ 29,288
Fire protection service fees	170,000	170,000	174,769	4,769
Total taxes	862,000	862,000	896,058	34,058
Intergovernmental revenues				
State fire insurance rebate	40,000	40,000	42,281	2,281
State revenue sharing	75,000	75,000	79,279	4,279
City-Parish General Fund	68,990	68,990	68,990	-
Total intergovernmental revenues	183,990	183,990	190,550	6,560
Miscellaneous revenue				
Interest earned	1,500	1,500	11,267	9,767
Miscellaneous revenue	3,000	3,000	46,241	43,241
Total miscellaneous revenue	4,500	4,500	57,508	53,008
Total revenue	1,050,490	1,050,490	1,144,116	93,626
EXPENDITURES				
Current operations				
General government				
Accounting fees	14,000	14,000	11,891	2,109
Legal fees	10,000	15,000	751	14,249
Total general government	24,000	29,000	12,642	16,358
Public safety				
Advertising	600	600	412	188
Assessor fees	41,500	21,500	-	21,500
Awards and plaques	-	-	-	-
Dues	400	400	440	(40)
Employee benefits	228,400	237,400	237,972	(572)
Fee billings	10,000	10,000	10,265	(265)
Food	2,000	2,000	3,166	(1,166)
Insurance	23,300	23,300	21,814	1,486
Maintenance and repair	20,500	33,500	34,898	(1,398)

**DISTRICT SIX FIRE PROTECTION DISTRICT
PARISH OF EAST BATON ROUGE
BUDGETARY COMPARISON SCHEDULE-GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET</u>
				<u>POSITIVE (NEGATIVE)</u>
Medical program	1,000	1,000	849	151
Miscellaneous	-	-	193	(193)
Pest control	150	150	280	(130)
Postage	3,000	3,000	2,929	71
Rent	7,400	7,400	7,406	(6)
Retirement costs-other	-	-	22,833	(22,833)
Salaries-regular employees	484,000	590,000	565,667	24,333
Supplies	24,550	24,550	25,520	(970)
Telephone	11,000	11,000	8,547	2,453
Training and travel	7,000	7,000	3,541	3,459
Utilities	10,800	10,800	11,489	(689)
Total public safety	<u>875,600</u>	<u>983,600</u>	<u>958,220</u>	<u>25,380</u>
Capital outlay				
Fire fighting equipment	<u>38,000</u>	<u>50,000</u>	<u>50,736</u>	<u>(736)</u>
Total capital outlay	<u>38,000</u>	<u>50,000</u>	<u>50,736</u>	<u>(736)</u>
Debt service				
Principal retirement	<u>65,200</u>	<u>65,200</u>	<u>55,040</u>	<u>10,160</u>
Interest expense	<u>-</u>	<u>-</u>	<u>10,117</u>	<u>(10,117)</u>
Total debt service	<u>65,200</u>	<u>65,200</u>	<u>65,157</u>	<u>43</u>
Total expenditures	<u>1,002,800</u>	<u>1,127,800</u>	<u>1,086,755</u>	<u>41,045</u>
Excess (deficiency) of revenues over expenditures	<u>47,690</u>	<u>(77,310)</u>	<u>57,361</u>	<u>134,671</u>
OTHER FINANCING SOURCES (USES)				
Capital lease	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>47,690</u>	<u>(77,310)</u>	<u>57,361</u>	<u>134,671</u>
Budgetary fund balance-beginning of year	<u>772,946</u>	<u>772,946</u>	<u>772,946</u>	<u>-</u>
Budgetary fund balance-end of year	<u>\$ 820,636</u>	<u>\$ 695,636</u>	<u>\$ 830,307</u>	<u>\$ 134,671</u>

**DISTRICT SIX FIRE PROTECTION DISTRICT
PARISH OF EAST BATON ROUGE
BUDGETARY COMPARISON SCHEDULE-GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET</u>
				<u>POSITIVE (NEGATIVE)</u>
REVENUES				
Taxes				
Ad valorem taxes	\$ 596,000	\$ 596,000	\$ 668,648	\$ 72,648
Fire protection service fees	170,000	170,000	218,101	48,101
Total taxes	766,000	766,000	886,749	120,749
Intergovernmental revenues				
State fire insurance rebate	36,000	36,000	39,901	3,901
State revenue sharing	75,000	75,000	79,203	4,203
City-Parish General Fund	68,990	68,990	68,990	-
Total intergovernmental revenues	179,990	179,990	188,094	8,104
Miscellaneous revenue				
Interest earned	1,000	1,000	7,667	6,667
Miscellaneous revenue	3,000	3,000	22,234	19,234
Total miscellaneous revenue	4,000	4,000	29,901	25,901
Total revenue	949,990	949,990	1,104,744	154,754
EXPENDITURES				
Current operations				
General government				
Accounting fees	14,000	14,000	13,755	245
Legal fees	15,000	20,000	16,326	3,674
Total general government	29,000	34,000	30,081	3,919
Public safety				
Advertising	600	600	1,867	(1,267)
Assessor fees	20,000	-	75	(75)
Awards and plaques	-	-	65	(65)
Dues	400	400	615	(215)
Employee benefits	204,600	213,600	207,789	5,811
Fee billings	17,000	17,000	14,241	2,759
Food	2,000	2,000	2,631	(631)
Insurance	22,900	22,900	21,397	1,503
Maintenance and repair	21,800	34,800	36,529	(1,729)

**DISTRICT SIX FIRE PROTECTION DISTRICT
PARISH OF EAST BATON ROUGE
BUDGETARY COMPARISON SCHEDULE-GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET</u>
				<u>POSITIVE (NEGATIVE)</u>
Medical program	1,000	1,000	401	599
Miscellaneous	-	-	2,029	(2,029)
Pest control	150	150	120	30
Postage	1,500	1,500	1,050	450
Rent	6,900	6,900	6,427	473
Retirement costs-other	-	20,000	21,581	(1,581)
Salaries-regular employees	484,000	510,000	506,700	3,300
Supplies	18,750	18,750	23,162	(4,412)
Telephone	12,000	12,000	10,893	1,107
Training and travel	7,000	7,000	4,182	2,818
Utilities	11,500	11,500	11,672	(172)
Total public safety	<u>832,100</u>	<u>880,100</u>	<u>873,427</u>	<u>6,673</u>
Capital outlay				
Fire fighting equipment	15,000	27,000	39,180	(12,180)
Total capital outlay	<u>15,000</u>	<u>27,000</u>	<u>39,180</u>	<u>(12,180)</u>
Debt service				
Principal retirement	67,000	67,000	52,540	14,460
Interest expense	-	-	12,617	(12,617)
Total debt service	<u>67,000</u>	<u>67,000</u>	<u>65,157</u>	<u>1,843</u>
Total expenditures	<u>943,100</u>	<u>1,008,100</u>	<u>1,007,845</u>	<u>255</u>
Excess (deficiency) of revenues over expenditures	(6,890)	(58,110)	96,899	155,009
OTHER FINANCING SOURCES (USES)				
Capital lease	-	-	-	-
Net change in fund balance	(6,890)	(58,110)	96,899	155,009
Budgetary fund balance-beginning of year	<u>772,946</u>	<u>772,946</u>	<u>772,946</u>	<u>-</u>
Budgetary fund balance-end of year	<u>\$ 779,836</u>	<u>\$ 714,836</u>	<u>\$ 869,845</u>	<u>\$ 155,009</u>

Finding 1: The segregation of duties is inadequate to provide effective internal control.

Fiscal year finding initially reported: December 31, 1994

Corrective action taken:

This limitation is the direct result of economic limitations on administrative positions within the District. The District's management feels that other controls are in place to provide adequate safeguarding of assets.

The contact personnel are the Fire Chief, Joel Hancock, and Chris Medine, Chairman of the Board of Commissioners.